GOVERNMENT OF INDIA
SURFACE TRANSPORT
LOK SABHA

STARRED QUESTION NO:407
ANSWERED ON:24.04.2000
SHIP ACQUISITION PROGRAMME BY SCI
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Shipping Corporation of India has decided to slash its Ship Acquisition Programme during the Ninth Plan period;

(b) if so, the details thereof and the reasons therefor;

(c) the reaction of the Government thereto;

(d) whether the Company has also decided to shift its focus to new areas; and

(e) if so, the areas identified by the company so far ?

Answer

(MINISTER OF SURFACE TRANSPORT

(SHRI RAJNATH SINGH))

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 407 FOR ANSWER ON 24.4 PUT BY SHRI ASHOK N. MOHOL AND SHRI RAMSHETH THAKUR REGARDING SHIP ACQUISITION PROGRAMME BY SCI

(a) Yes, Sir.

(b) The Shipping Corporation of India(SCI)`s Tonnage Acquisition Programme in the beginning of 9th Plan envisaged acquisition of 53 vessels aggregating 23.84 lakhs DWT. However, SCI has been able to acquire only 4 vessels aggregating 1.29 lakhs DWT till 31.3.2000. SCI in March,2000 haverevised their acquisition programme and plan to acquire 21 vessels aggregating 16.85 lakhs DWT during the remaining period of 9th Plan period. The main reasons for non-achievement of target are as under :

(i) Continued recession in the international freight market.

(ii) Change in the trade pattern while the projects were in the pipeline.

(iii) Difficulties in raising large amounts of ECB (External Commercial Borrowings).

(iv) Non-availability of appropriate second-hand vessels as per SCI`s requirement.

(v) Procedural issues which affected approval of projects.

(vi) Limited Financial powers of SCI Board.

(c) Government have granted in February,2000 `Mini Ratna` status to SCI as a consequence of whichSCI will be able to exercise enhanced Financial powers its performance and acquire more vessels during the balance period of 9th Plan, based on the anticipated business opportunities as well as SCI`s immediate requirements.

(d)& (e)No, Sir. However, SCI has diversified its activities to include Liquefied Natural Gas (LNG) Transportation andhas already embarked on a joint venture with Mitsui OSK, Japan and Enron for LNG Transportation for Dabhol Power project. This is a new activity with lot of potential for SCI.